

# Manufacturing Integration Technology Ltd.

(Company Registration No. 199200075N)

## HALF YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2019

### 1(a)(i) A Statement of Comprehensive Income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		
	S\$' 000		%
	30/06/2019	30/06/2018	Increase/ -Decrease
Revenue	5,859	7,619	-23.1%
Cost of sales	(6,359)	(6,734)	-5.6%
Gross (loss) profit	(500)	885	NM
Other income and gains	50,252	655	7572.1%
Marketing and distribution costs	(295)	(395)	-25.3%
Administrative expenses	(2,233)	(1,660)	34.5%
Other losses	(242)	-	NM
Finance costs	(100)	-	NM
Profit (loss) before tax from continuing operations	46,882	(515)	NM
Income tax income	82	-	NM
Profit (loss) from continuing operations, net of tax	46,964	(515)	NM
Loss from discontinued operations, net of tax	(1,108)	(2,890)	-61.7%
Profit (loss) net of tax	45,856	(3,405)	NM
<u>Other comprehensive income (loss):</u>			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations, net of tax	(4)	27	NM
Other comprehensive (loss) income for the period, net of tax	(4)	27	NM
Total comprehensive income (loss) for the period	45,852	(3,378)	NM

NM: Not meaningful

**1(a)(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statements for the current financial period reported on and the corresponding period of the immediately preceding financial year.**

The Group's subsidiary, MIT Semiconductor Pte Ltd ("MSPL") together with its subsidiaries, were held for sale and the entire assets and liabilities related to MSPL and its subsidiaries were classified as a disposal group held for sale in the FY2018 statement of financial position.

The entire results from the disposal group are presented separately in the consolidated income statement as "Discontinued operations".

On 20 February 2019, the proposed disposal of MSPL and its subsidiaries to MIT Semiconductor (Tian Jin) Company Limited was completed.

Analysis of the result of discontinued operations as disposal group as follow:

	Group	
	S\$' 000	
	01/01/2019 - 20/02/2019	01/01/2018 - 30/06/2018
Revenue	2,364	11,284
Cost of sales	(2,377)	(9,831)
Gross (loss) profit	(13)	1,453
Other income and gains	15	413
Marketing and distribution costs	(452)	(2,282)
Administrative expenses	(526)	(1,954)
Other losses	(132)	(521)
Finance costs	-	(3)
Loss before tax	(1,108)	(2,894)
Income tax income	-	4
Loss for the period	(1,108)	(2,890)

The Group's profit from operating activities is arrived at after other items of income & (expenses) the following: -

**Continuing Operations**

1) Other income and gains include, mainly:

- Interest income
- Rental income
- Gain on disposal of subsidiary
- Reversal on allowance for impairment loss on trade receivables

2) Other losses include, mainly:

- Inventories written down
- Loss on disposal of development projects

Group	
S\$'000	
01/01/2019 - 30/06/2019	01/01/2018 - 30/06/2018
284	7
226	335
49,468	-
243	271
(158)	-
(83)	-

**Discontinued Operations**

1) Other income and gains include, mainly:

- Interest income
- Gain on disposal of development projects
- Revesal on allowance for impairment loss on trade receivables
- Foreign exchange adjustment gains

2) Other losses include, mainly:

- Provision for product warranty, net of reversal
- Amortisation of development projects
- Foreign exchange adjustment losses

Group	
S\$'000	
01/01/2019 - 20/02/2019	01/01/2018 - 30/06/2018
-	62
-	76
-	103
-	98
(11)	(16)
(104)	(494)
(16)	-

**1(a)(iii) Amount of any adjustment for under or overprovision of tax in respect of prior years.**

There was an over-provision of tax in respect of prior years of S\$82k in current financial period. (2018: Nil)

**1(b)(i) A Statement of Financial Position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

	Group		Company	
	30/06/2019	31/12/2018	30/06/2019	31/12/2018
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Assets</b>				
<b>Non-current assets:</b>				
Plant and equipment	1,060	993	198	134
Investment properties	8,476	8,572	8,476	8,572
Investments in subsidiaries	-	-	8,080	30,440
Right-of-use assets	2,666	-	165	-
<b>Total non-current assets</b>	<b>12,202</b>	<b>9,565</b>	<b>16,919</b>	<b>39,146</b>
<b>Current assets:</b>				
Inventories	4,302	3,026	6	-
Trade and other receivables	9,972	4,641	8,583	6,145
Other assets, current	485	414	46	116
Cash and cash equivalents	34,268	11,554	33,687	9,088
Assets of a disposal group held for sale	-	36,562	-	-
<b>Total current assets</b>	<b>49,027</b>	<b>56,197</b>	<b>42,322</b>	<b>15,349</b>
<b>Total assets</b>	<b>61,229</b>	<b>65,762</b>	<b>59,241</b>	<b>54,495</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Share capital	48,703	47,742	48,703	47,742
Other reserves	(117)	91	29	233
Retained earnings (accumulated losses)	5,216	(3,826)	8,006	(3,242)
<b>Total equity</b>	<b>53,802</b>	<b>44,007</b>	<b>56,738</b>	<b>44,733</b>
<b>Non-current liability:</b>				
Lease liabilities	1,951	-	36	-
<b>Total non-current liability</b>	<b>1,951</b>	<b>-</b>	<b>36</b>	<b>-</b>
<b>Current liabilities:</b>				
Trade and other payables	4,574	4,033	2,346	2,762
Income tax payable	-	74	-	-
Lease liabilities	705	-	121	-
Other finance liabilities	197	7,000	-	7,000
Liabilities of a disposal group held for sale	-	10,648	-	-
<b>Total current liabilities</b>	<b>5,476</b>	<b>21,755</b>	<b>2,467</b>	<b>9,762</b>
<b>Total liabilities</b>	<b>7,427</b>	<b>21,755</b>	<b>2,503</b>	<b>9,762</b>
<b>Total equity and liabilities</b>	<b>61,229</b>	<b>65,762</b>	<b>59,241</b>	<b>54,495</b>

**1(b)(ii) Aggregate amount of group's borrowings and debt securities.****Amount repayable in one year or less, or on demand**

As at 30/06/19		As at 31/12/18	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
197	-	7,000	-

**Amount repayable after one year**

As at 30/06/19		As at 31/12/18	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	-	-	-

**Details of any collateral**

1. Short-term bank loan of RMB1.0m to the wholly-owned subsidiary, MIT (Shanghai) Co., Ltd is guaranteed by the Company.

**1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Group (S\$'000)	
	30/06/2019	30/06/2018
<b><u>Cash flows from operating activities</u></b>		
Profit (Loss) before tax from continuing operations	46,882	(515)
Loss before tax from discontinued operations	(1,108)	(2,894)
	45,774	(3,409)
Adjustments for:		
Depreciation of property, plant and equipment	254	558
Depreciation of investment properties	95	95
Depreciation of right-of-use assets	393	-
Interest income	(284)	(69)
Interest expense	100	3
Gain on disposal of subsidiary	(49,468)	-
Loss (gain) on disposal of development projects	83	(76)
Amortisation of development projects	-	494
Amortisation of intangible assets	-	11
Net effect of exchange rate changes in consolidating foreign operations	(257)	10
Share based payment	53	77
Operating cash flow used in changes in working capital	(3,257)	(2,306)
Trade and other receivables	(5,331)	2,765
Other assets	(71)	(255)
Inventories	(1,276)	(8,261)
Trade and other payables	541	2,551
Provisions	-	123
Net cash flow used in operation	(9,394)	(5,383)
Income tax paid	(74)	(250)
Net cash flows used in operating activities	(9,468)	(5,633)
<b><u>Cash flows from investing activities</u></b>		
Proceeds on disposal of subsidiaries	67,600	-
Purchase of plant and equipment	(293)	(685)
Proceeds on disposal of development projects	-	319
Development projects incurred	-	(620)
Interest received	284	69
Net cash flows from (used in) investing activities	67,591	(917)
<b><u>Cash flows from financing activities</u></b>		
Interest paid	(100)	(3)
Decrease in borrowings	(6,803)	-
Dividends paid	(37,071)	(1,725)
Repayment of lease liabilities	(396)	-
Decrease in finance leases	-	(23)
Issue of shares	961	63
Net cash used in financing activities	(43,409)	(1,688)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>14,714</b>	<b>(8,238)</b>
Cash and cash equivalents, beginning balance	19,554	21,884
<b>Cash and cash equivalents, ending balance</b>	<b>34,268</b>	<b>13,646</b>

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

<u>Group</u>	Total equity	Share capital	(Accumulated losses) / retained earnings	Translation reserves	Share option reserve
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Current year:</b>					
<b>Opening balance at 1 January 2019</b>	44,007	47,742	(3,826)	(142)	233
<b><u>Changes in equity:</u></b>					
Total comprehensive income for the period	45,852	-	45,856	(4)	-
Issuance of shares pursuant to employee share option scheme	961	961	-	-	-
Exercise of share options	-	-	255	-	(255)
Expiry of share options	-	-	2	-	(2)
Share based payment expenses	53	-	-	-	53
Dividends paid	(37,071)	-	(37,071)	-	-
<b>Closing balance at 30 June 2019</b>	<b>53,802</b>	<b>48,703</b>	<b>5,216</b>	<b>(146)</b>	<b>29</b>
<b>Previous year:</b>					
<b>Opening balance at 1 January 2018</b>	51,130	47,051	3,832	(18)	265
<b><u>Changes in equity:</u></b>					
Total comprehensive income for the period	(3,378)	-	(3,405)	27	-
Issuance of shares pursuant to employee share option scheme	63	63	-	-	-
Exercise of share options	-	-	18	-	(18)
Expiry of share options	-	-	4	-	(4)
Share based payment expenses	77	-	-	-	77
Dividends paid	(1,725)	-	(1,725)	-	-
<b>Closing balance at 30 June 2018</b>	<b>46,167</b>	<b>47,114</b>	<b>(1,276)</b>	<b>9</b>	<b>320</b>

<u>Company</u>	Total equity	Share capital	Retained earnings / (accumulated losses)	Share option reserve
	S\$'000	S\$'000	S\$'000	S\$'000
Current year :				
Opening balance at 1 January 2019	44,733	47,742	(3,242)	233
<u>Changes in equity:</u>				
Total comprehensive loss for the period	48,062	-	48,062	-
Issuance of shares pursuant to employees share option scheme	961	961	-	-
Exercise share options	-	-	255	(255)
Expiry of share options	-	-	2	(2)
Share based payment expenses	53	-	-	53
Dividends paid	(37,071)	-	(37,071)	-
Closing balance at 30 June 2019	56,738	48,703	8,006	29
Previous year :				
Opening balance at 1 January 2018	50,376	47,051	3,060	265
<u>Changes in equity:</u>				
Total comprehensive income for the period	(504)	-	(504)	-
Issuance of shares pursuant to employees share option scheme	63	63	-	-
Exercise share options	-	-	18	(18)
Expiry of share options	-	-	4	(4)
Share based payment expenses	77	-	-	77
Dividends paid	(1,725)	-	(1,725)	-
Closing balance at 30 June 2018	48,287	47,114	853	320

**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

### Share Capital

During the period, the Company issued and allotted 6,045,500 ordinary shares in the share capital of the Company upon exercise of options under the MIT Employees' Share Option Scheme 2009 ("the Scheme") and issued and allotted 150,000 ordinary shares in the share capital of the Company to the employee under the MIT Performance Share Plan ("PSP").

As at 30 June 2019, the number of ordinary shares issued was 240,112,470 (31 December 2018: 233,916,970 ordinary shares).



**Share Options**

As at 30 June 2019, the number of outstanding options under the Scheme was 559,000 (31 December 2018: 6,654,500). During the period January to June 2019, 6,045,500 options were exercised under the Scheme. 50,000 unexercised options had lapsed and were cancelled during the period.

**Performance Shares**

During the period, the Company has issued and allotted 150,000 ordinary shares in the share capital of the Company to the employee under the PSP. As at 30 June 2019, there were no outstanding performance shares held under the PSP (31 December 2018: 150,000)

**Treasury Shares**

As at 30 June 2019, no ordinary shares were held as Treasury Shares (31 December 2018: NIL). No shares were bought back by the Company during the period.

The Company does not have any subsidiary holdings.

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	Group & Company	
	as at 30/06/19	as at 31/12/18
Total number of issued shares	233,916,970	229,287,470
Add : New issued shares	6,195,500	4,629,500
Total number of issued shares (excluding treasury shares)	240,112,470	233,916,970

**1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

There were no sales, transfer, cancellation and/or use of treasury shares during the period.

**1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Please refer to note 1(a)(ii) above.

**2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except as disclosed in Note 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited financial statements for the year ended 31 December 2018.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group has adopted the new Singapore Financial Reporting Standards (International) ("SFRS(I)") 16 - *Leases* and interpretations effective for the financial period beginning on 1 January 2019.

SFRS(I) 16 introduces a single, on balance sheet lease accounting model. The rationale of the change is to better reflect the economic substance of lease transactions. It requires a lessee to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

The Group has not restated comparatives for the 2018 reporting period as permitted under the specific transition provisions in SFRS(I) 16.

Leases are recognised as a right-of-use asset and corresponding liability at the date of which the leased asset is available for use by the Group. These lease liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate as at 1 January 2019.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

In applying SFRS(I) 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- no reassessment on whether a contract is, or contains a lease, if the contract was entered before 1 January 2019
- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases
- the exclusion of initial direct costs for the measurement of the right-of-use asset as the date of initial application, and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

**6. Earnings (loss) per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	Group	
	30/06/19	30/06/18
Earnings (loss) per ordinary share of the group, after deducting any provision for preference dividends (in cents):		
(a) Based on weighted average number of ordinary shares on issue		
Continuing operations	19.69	(0.22)
Discontinued operations	(0.46)	(1.26)
(b) On a fully diluted basis		
Continuing operations	19.68	(0.22)
Discontinued operations	(0.46)	(1.24)

- a) Earnings per ordinary share on existing issued share capital is computed based on the weighted average number of shares in issue during the year.
- b) Earnings per ordinary share on a fully diluted basis is computed based on the weighted average number of shares during the period adjusted to assume conversion of all dilutive ordinary shares.

**7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**  
**(a) current financial period reported on; and**  
**(b) immediately preceding financial year.**

	Company		Group	
	30/06/19	31/12/18	30/06/19	31/12/18
Net asset value per ordinary share based on issued share capital at the end of (in cents):	23.63	19.12	22.41	18.81

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

**Turnover**

The Group recorded a lower revenue of S\$5.86m during 1H 2019 compare with S\$7.62m in 1H 2018. The decline of 23% was mainly due to a lower build-to-print and customized automation sales.

In the built-to-print segment, our LED customer faced new competition in the market, resulting in significantly lower orders for their suppliers. For customized automation projects, it is taking a longer time to secure new POs as customers continue to make changes to their specifications, designs and automation needs in an uncertain global economic environment.

Nevertheless, we continue to be active in submission of proposals and bids for new projects in the medical, consumer electronics and defense related industries. Our solar project was also pushed back due to customer's internal issues, even though a PO for the prototype unit was received.

## **Earnings**

The Group posted a profit after tax of S\$45.8m, principally due to gains from the disposal of our semiconductor equipment business. However, at the operating level, we incurred an operating loss due to the lower sales that was below our breakeven point. There was also a gross loss of S\$0.50m in 1H 2019 as compared with gross profit of S\$0.89m in 1H 2018, largely attributable to the lower revenue base and the large fixed costs.

The other income and gains for this period was mainly from:

- Gain on disposal of subsidiary (S\$49.47m)
- Interest income (S\$0.28m)
- Reversal on allowance for impairment on trade receivables (S\$0.24m)
- Rental income from our industrial property (S\$0.23m)

Following the lower revenue base and business activities, marketing and distribution costs was lower by 25%.

Administrative expenses increased due to full cost allocated to CEM business when compare to 20% allocated to CEM business and 80% allocated to discontinued operations in 1H 2018.

The other losses increased mainly due to inventories written off and loss on disposal of development projects during the period.

The higher finance costs due to increase of short-term loan in Q4 2018 to support Company's divestment plan and interest expenses on lease liabilities recognised as a result of the adoption of SFRS(I) 16 during the financial year.

## **Assets and Liabilities**

The increase in plant and equipment was mainly due to the investment in renovation, office equipment and IT resources for our new corporate office at Blk 5004 Ang Mo Kio Ave 5, #05-01 TECHplace II.

After depreciation during the period, investment properties decreased to S\$8.48m from S\$8.57m from the beginning of the financial period.

Investments in subsidiaries decreased in the Company after the divestment of semiconductor business during the financial period.

On adoption of SFRS(I) 16, the Group has recognised right-of-use assets of S\$2.67m and lease liabilities of S\$2.66m as at 30 June 2019.

Inventories increased by S\$1.28m to S\$4.30m in anticipation of major deliveries in the coming months.

Trade and other receivables increased by 115% from S\$4.64m in YE2018 to S\$9.97m mainly due to the booking of the first escrow amount of S\$7.11m, which was subsequently received on 8 July 2019.

The higher amount in trade and other payables was in line with the higher inventory level maintained.

The decrease in other financial liabilities was mainly a result of repayment of bank loans after the completion of the proposed disposal during the period.

### **Cash Flow**

The cash & cash equivalents of S\$34.27m represents an increase of S\$22.71m from 31 Dec 2018 after significant spending on dividend payments (S\$37.07m), repayment of short-term loan (S\$6.80m), inventories (S\$1.28m) and plant and equipment (S\$0.29m).

Cash and cash equivalents per share stood at 14.27 cents, which accounts for about 64% of the net asset per share.

After the capital distribution of S\$0.085/per share and the second interim dividend of S\$0.033/per share were paid out on 23 July 2019, the Group continues to maintain a strong capital base to support its CEM business.

### **9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

The results are in line with the prospect statement disclosed in the previous results announcement.

### **10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

With completion of the divestment process and return of proceeds totalling S\$65.40m or S\$0.273 per share to shareholders (except the last remaining 10% of sale price in escrow), we will focus on business growth going forward.

Being in transition before reaching critical mass, we expect the CEM business to face challenges. While we focus on opportunities in new technologies such as autonomous mobile robotics, Industry 4.0, digitization and smart factories across the manufacturing spectrum, the current trade tensions between China and US has certainly dampened the investment climate as customers are hesitant to commit large capex in the automation area.

On the other hand, the greying population in Singapore and firm controls on foreign labour has made automation a necessity.

Despite these ongoing challenges, we are comforted by the strong resources backing our new core business, ie escrow balance of S\$8.45m, investment properties worth S\$8.48m and net cash of S\$10.7m (after paying out a capital distribution and 2 interim dividends). We should still see a positive bottom line for FY2019 due to gains on disposal of the semiconductor business.

## 11. Dividend

### (a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

The Company has announced the following interim dividends on 22 March 2019 and 28 June 2019 respectively ("the Dividends").

Name of Dividend	First Interim Dividend	Second Interim Dividend
Dividend Type	Cash	Cash
Dividend Amount per Share	15.5 cents	3.3 cents
Tax Rate	Tax Exempt (One-Tier)	Tax Exempt (One-Tier)
Payment Date	12 April 2019	23 July 2019

The Dividends form part of the distribution that the Company wishes to distribute to its shareholders using the net sale proceeds arising from the disposal by the Company to MIT Semiconductor (Tian Jin) Company Limited of the entire issued and paid-up share capital of MIT Semiconductor Pte. Ltd.

In addition, the Company also made a capital distribution of 8.5cts per share on 23 July 2019 after the capital reduction program came into was effect.

### (b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

### (c) Date payable

No applicable.

### (d) Books closure date

No applicable.

## 12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared or recommended. This is in line with our operating performance amidst a difficult business environment.

**13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Company does not have a shareholders' mandate for IPTs.

During the period ended 30 June 2019, the Group did not enter into any interested person transaction which aggregate value exceeds S\$100,000.

**14. Confirmation by the Board Pursuant to Rule 705(5) of the Listing Manual.**

The Board of Directors of the Company hereby confirms to the best of their knowledge that nothing has come to their attention which may render the financial statements for the half year ended 30 June 2019 to be false or misleading.

**15. Confirmation Pursuant to Rule 720(1) of the Listing Manual - The Directors' and Executive Officers' Undertakings.**

The Company confirms that it has procured the requisite undertakings from all its directors and executive officers under Listing Rule 720(1).

**ON BEHALF OF THE BOARD**

**Lim Chin Tong**  
**Executive Director and Chief Executive Officer**

2 August 2019